



Pillar III Disclosure Report

MARCH 2026

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Basis of Compilation

The following information is compiled in accordance with the Basel Committee on Banking Supervision's (BCBS) Pillar 3 disclosure requirements, which incorporates the amendments introduced as part of the Basel III reforms (Basel IV), and Directive 10 of 2025 published by the Prudential Authority on 11 August 2025, which informed banks that the Pillar 3 disclosure requirements have been removed from Regulation 43 of the regulations relating to banks issued under Section 90 of the Banks Act, No 94 of 1990 (as amended) ("the regulations"), which requirements have now been specified in this directive. However, the essential disclosure principles remain in regulation 43(1) of the Regulations.

All disclosures are consistent with those disclosed in terms of International Financial Reporting Standards ("IFRS"), unless otherwise stated. All amounts are disclosed in Rand thousands. Where bank and consolidated figures are not materially different, only one table is disclosed.

All tables and disclosures may not be relevant, as provided in Annexure A, and are excluded from this report.

This Pillar 3 Disclosure Report has been prepared by the Financial Reporting Manager and reviewed by the Finance Manager.

Scope of Reporting

The quarterly results of Albaraka Bank Limited for the period ending 31 March 2026 is reported on.

Albaraka Bank Limited is a registered bank domiciled in South Africa and has as its principal objective the operation of its business according to Islamic banking precepts. The bank's parent and holding company is the Albaraka Group, a company incorporated in the Kingdom of Bahrain. The address of its registered office is PO Box 1882, Manama, Kingdom of Bahrain.

Risk Management, Key Metrics & RWA

The following section provides an overview of the key prudential regulatory metrics covering the available capital and capital ratios, risk weighted assets, leverage ratio, liquidity coverage ratio and net stable funding ratio of the bank's performance and trends over time on a bank solo and consolidated basis.

3.1 KM1 – KEY METRICS

CONSOLIDATED

Line	Item	31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
Available Capital (Amounts) R'000						
1	Common equity Tier 1 (CET1)	1 142 335	1 113 146	1 083 820	1 057 843	1 029 280
2	Tier 1	1 266 335	1 237 146	1 207 820	1 181 843	1 153 280
3	Total capital	1 414 541	1 402 448	1 404 704	1 390 365	1 371 945
Risk Weighted Assets (Amounts) R'000						
4	Total risk-weighted assets (RWA)	8 468 403	8 111 498	7 894 013	8 467 353	7 935 461
4a	Total risk-weighted assets (pre-floor)	8 468 403	8 111 498	7 894 013	-	-
Risk-Based Capital Ratios as a percentage of RWA						
5	CET 1 ratio (%)	13.49%	13.72%	13.73%	12.49%	12.97%
5a	CET 1 ratio (%) (pre-floor ratio)	13.49%	13.72%	13.73%	-	-
6	Tier 1 ratio (%)	14.95%	15.25%	15.30%	13.96%	14.53%
6a	Tier 1 ratio (%) (pre-floor ratio)	14.95%	15.25%	15.30%	-	-
7	Total capital ratio (%)	16.70%	17.29%	17.79%	16.42%	17.29%
7a	Total capital ratio (%) (pre-floor ratio)	16.70%	17.29%	17.79%	-	-
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement	-	-	-	-	-
10	Bank G-SIB and/or D-SIB additional requirements	-	-	-	-	-

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Line	Item	31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
11	Total of bank CET1 specific buffer requirements (row 8 + 9 + 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements	4.74%	4.97%	4.98%	3.74%	4.22%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	10 960 752	10 713 613	10 145 781	10 170 200	10 076 202
14	Basel III leverage ratio (incl. CB reserves exemption)	11.55%	11.55%	11.90%	11.62%	11.45%
14a	Basel III leverage ratio (excl. CB reserves exemption)	11.55%	11.55%	11.90%	11.62%	11.45%
14b	Leverage ratio (incl.) — mean values for SFT assets	11.55%	11.55%	11.90%	11.62%	11.45%
14c	Leverage ratio (excl.) — mean values for SFT assets	11.55%	11.55%	11.90%	11.62%	11.45%
Liquidity Coverage Ratio						
15	Total HQLA	1 134 339	1 189 998	1 090 923	1 057 577	1 142 041
16	Total net cash outflow	114 500	86 375	110 845	127 019	126 502
17	LCR ratio (%)	991%	1 378%	984%	833%	903%
Net Stable Funding Ratio						
18	Total available stable funding	8 396 800	8 216 183	8 002 478	7 760 708	7 706 704
19	Total required stable funding	6 632 422	6 471 495	6 244 737	5 988 244	5 894 520
20	NSFR ratio (%)	127%	127%	128%	130%	131%

BANK

Line	Item	31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Dec 2024
Available Capital (Amounts) R'000						
1	Common equity Tier 1 (CET1)	1 131 622	1 103 567	1 075 473	1 050 604	1 018 808
2	Tier 1	1 255 622	1 227 567	1 199 473	1 174 604	1 142 808
3	Total capital	1 403 828	1 392 869	1 396 357	1 383 126	1 361 473
Risk Weighted Assets (Amounts) R'000						
4	Total risk-weighted assets (RWA)	8 598 462	8 182 507	7 895 548	8 584 926	8 029 516

Line	Item	31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Dec 2024
4a	Total risk-weighted assets (pre-floor)	8 598 462	8 182 507	7 895 548	-	-
Risk-Based Capital Ratios as a percentage of RWA						
5	CET 1 ratio (%)	13.16%	13.49%	13.62%	12.24%	12.69%
5a	CET 1 ratio (%) (pre-floor ratio)	13.16%	13.49%	13.62%	-	-
6	Tier 1 ratio (%)	14.60%	15.00%	15.19%	13.68%	14.23%
6a	Tier 1 ratio (%) (pre-floor ratio)	14.60%	15.00%	15.19%	-	-
7	Total capital ratio (%)	16.33%	17.02%	17.69%	16.11%	16.96%
7a	Total capital ratio (%) (pre-floor ratio)	16.33%	17.02%	17.69%	-	-
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement	-	-	-	-	-
10	Bank G-SIB and/or D-SIB additional requirements	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (row 8 + 9 + 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements	4.41%	4.74%	4.87%	3.49%	3.94%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	10 956 692	10 719 277	10 152 782	10 182 986	10 082 854
14	Basel III leverage ratio (incl. CB reserves exemption)	11.46%	11.45%	11.81%	11.53%	11.33%
14a	Basel III leverage ratio (excl. CB reserves exemption)	11.46%	11.45%	11.81%	11.53%	11.33%
14b	Leverage ratio (incl.) — mean values for SFT assets	11.46%	11.45%	11.81%	11.53%	11.33%
14c	Leverage ratio (excl.) — mean values for SFT assets	11.46%	11.45%	11.81%	11.53%	11.33%
Liquidity Coverage Ratio						
15	Total HQLA	1 134 339	1 189 998	1 090 923	1 057 577	1 142 041
16	Total net cash outflow	114 500	86 375	110 845	127 019	126 502
17	LCR ratio (%)	991%	1 378%	984%	833%	903%

Line	Item	31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Dec 2024
Net Stable Funding Ratio						
18	Total available stable funding	8 396 800	8 216 183	8 002 478	7 760 708	7 706 704
19	Total required stable funding	6 632 422	6 471 495	6 244 737	5 988 244	5 894 520
20	NSFR ratio (%)	127%	127%	128%	130%	131%

PERIOD UNDER REVIEW · ALBARAKA BANK

- As at 31 March 2026 the total capital ratio reduced year-on-year from 16.96% to 16.33% due to an increase in risk weighted assets from R8.0 billion to R8.6 billion, being proportionately higher than the net increase in total capital.
- The LCR decreased from 1 378% in December 2025 to 991% in March 2026, primarily due to higher net cash outflows resulting from the inclusion of transactional banking balances as less stable deposits within the LCR calculation, in line with recommendations arising from the 2025 regulatory audit. The ratio is still well above the regulatory requirement of 100%.

3.2 OV1 — OVERVIEW OF RISK WEIGHTED ASSETS**CONSOLIDATED**

Line	Item	RWA (R'000) 31 Mar 2026	RWA (R'000) 31 Dec 2025	Min capital req.* (R'000) 31 Mar 2026
1	Credit risk (excluding counterparty credit risk)	7 247 490	6 881 109	833 461
2	Of which: standardised approach (SA)	7 247 490	6 881 109	833 461
3	Of which: foundation internal ratings-based (F-IRB)	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB)	-	-	-
6	Counterparty credit risk (CCR)	-	-	-
7	Of which: standardised approach for CCR	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-

Line	Item	RWA (R'000) 31 Mar 2026	RWA (R'000) 31 Dec 2025	Min capital req.* (R'000) 31 Mar 2026
11	Equity positions under the simple risk weight approach	17 857	17 857	2 054
12	Equity investments in funds — look-through approach	-	-	-
13	Equity investments in funds — mandate-based approach	-	-	-
14	Equity investments in funds — fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	Of which: SEC-IRBA	-	-	-
18	Of which: SEC-ERBA including internal assessment approach	-	-	-
19	Of which: SEC-SA	-	-	-
20	Market risk	21 156	42 338	2 433
21	Of which: standardised approach (SA)	21 156	42 338	2 433
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading and banking book	-	-	-
24	Operational risk	1 070 207	1 070 207	123 074
25	Amounts below thresholds for deduction (250% risk weight)	111 693	99 988	12 845
26	Aggregate capital floor applied	-	-	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	8 468 403	8 111 498	973 866

* Minimum requirements include the base minimum and idiosyncratic requirement specified by the Registrar.

BANK

Line	Item	RWA (R'000) 31 Mar 2026	RWA (R'000) 31 Dec 2025	Min capital req.* (R'000) 31 Mar 2026
1	Credit risk (excluding counterparty credit risk)	7 376 390	6 950 958	848 285
2	Of which: standardised approach (SA)	7 376 390	6 950 958	848 285
3	Of which: foundation internal ratings-based (F-IRB)	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB)	-	-	-
6	Counterparty credit risk (CCR)	-	-	-
7	Of which: standardised approach for CCR	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-
11	Equity positions under the simple risk weight approach	17 857	17 857	2 054
12	Equity investments in funds — look-through approach	-	-	-
13	Equity investments in funds — mandate-based approach	-	-	-
14	Equity investments in funds — fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	Of which: SEC-IRBA	-	-	-
18	Of which: SEC-ERBA including internal assessment approach	-	-	-
19	Of which: SEC-SA	-	-	-
20	Market risk	21 156	42 338	2 433
21	Of which: standardised approach (SA)	21 156	42 338	2 433
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading and banking book	-	-	-
24	Operational risk	1 070 207	1 070 207	123 074
25	Amounts below thresholds for deduction (250% risk weight)	112 853	101 148	12 978

Line	Item	RWA (R'000) 31 Mar 2026	RWA (R'000) 31 Dec 2025	Min capital req.* (R'000) 31 Mar 2026
26	Aggregate capital floor applied	-	-	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	8 598 462	8 182 507	988 823

* Minimum requirements include the base minimum and idiosyncratic requirement specified by the Registrar.

PERIOD UNDER REVIEW · ALBARAKA BANK

- Risk-weighted assets increased by R416 million from R8.2 billion in December 2025 to R8.6 billion in March 2026 due to Credit risk RWAs, which increased by R425 million due to the growth in the advances book, offset by Market risk RWAs which reduced by R21 million owing to lower foreign balances being held when compared to year end.

3.3 CVA4 — RWA FLOW STATEMENTS OF CVA RISK EXPOSURES UNDER SA-CVA

Line	Item	R'000
1	Total RWA for CVA at previous quarter-end (December 2025)	-
2	Total RWA for CVA at end of reporting period (March 2026)	-

Leverage Ratio

In terms of Regulation 43(1)(e)(iii)(G) the Bank is required to provide a summarised comparison of the accounting assets and the regulatory leverage ratio differences as well as the leverage ratio positions of the bank.

4.1 LR1 – SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

Line	Item	31 Mar 2026
1	Total consolidated assets as per published financial statements	10 668 024
2	Adjustment for investments in banking, financial, insurance or commercial entities consolidated for accounting but outside regulatory consolidation	-
3	Adjustment for securitised exposures that meet operational requirements for risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on balance sheet but excluded from leverage exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	-
9	Adjustment for securities financing transactions (e.g. repos and similar secured lending)	-
10	Adjustment for off-balance sheet items (conversion to credit equivalent amounts)	418 914
11	Adjustments for prudent valuation adjustments and specific and general provisions that reduced Tier 1 capital	(95 174)
12	Other adjustments	(35 072)
13	Leverage ratio exposure measure	10 956 692

COMMENTARY

Total leverage ratio exposure measure increased from R10.7 billion in December 2025 to R11.0 billion in March 2026 representing R237 million or 2% growth. The main reasons for the difference between total assets per the financial statements and the leverage exposure is due to off balance sheet items.

4.2 LR2 – LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

Line	Item	31 Mar 2026	31 Dec 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and SFTs but including collateral)	10 668 024	10 440 587
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under SFTs that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures deducted from Tier 1)	(88 267)	(74 794)
6	(Asset amounts deducted in determining Basel III Tier 1 capital)	(41 979)	(45 306)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 6)	10 537 778	10 320 487
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (net of eligible cash VM and/or bilateral netting)	-	-
9	Add-on amounts for potential future exposure associated with all derivatives transactions	-	-
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of lines 8 to 12)	-	-

Line	Item	31 Mar 2026	31 Dec 2025
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting) after adjusting for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of lines 14 to 18)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	1 755 717	1 691 212
20	(Adjustments for conversion to credit equivalent amounts)	(1 336 803)	(1 292 423)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet items (sum of lines 19 and 21)	418 914	398 790
Capital and total exposures			
23	Tier 1 capital	1 266 335	1 237 146
24	Total exposures (sum of rows 7, 13, 18 and 22)	10 956 692	10 719 277
Leverage ratio			
25	Leverage ratio (including impact of any applicable temporary exemption of central bank reserves)	11.46%	11.45%
25a	Leverage ratio (excluding impact of any applicable temporary exemption of central bank reserves)	11.46%	11.45%
26	National minimum leverage ratio requirement	-	-
27	Applicable leverage buffers	-	-
Disclosure of mean values			
28	Mean value of gross SFT assets after adjustment for sale accounting and netted cash payables/receivables	-	-
29	Quarter-end value of gross SFT assets after adjustment for sale accounting and netted cash payables/receivables	-	-
30	Total exposures (incl.) incorporating mean values from row 28 of gross SFT assets	10 956 692	10 719 277

Line	Item	31 Mar 2026	31 Dec 2025
30a	Total exposures (excl.) incorporating mean values from row 28 of gross SFT assets	10 956 692	10 719 277
31	Basel III leverage ratio (incl.) incorporating mean values from row 28 of gross SFT assets	11.46%	11.45%
31a	Basel III leverage ratio (excl.) incorporating mean values from row 28 of gross SFT assets	11.46%	11.45%

COMMENTARY

The leverage ratio improved marginally from 11.45% in December 2025 to 11.46% in March 2026 due to the growth in leverage exposures being consistent with the growth in Tier 1 capital. Tier 1 capital increased by R29 million or 2.4% whilst the leverage exposure increased by R237 million or 2.2%. The main factors contributing to the growth in leverage exposures was gross advances increasing by R259 million offset by a reduction in cash holdings of R39 million with customer deposits growing by R151 million. Off-balance sheet exposures increased from R1.7 billion in December 2025 to R1.8 billion in March 2026.

Liquidity

5.1 LIQ1 – LIQUIDITY COVERAGE RATIO (LCR)

The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient high quality liquid assets to survive a significant stress scenario lasting 30 calendar days. The values in the table are calculated as the simple average of the 3-month values over the period.

The structure and nature of deposits inside the 30-day window is the key driver of both the level and the volatility of the LCR. This weighted outflow is determined by the customer type of liabilities falling into the 30-day contractual bucket. The HQLA comprises primarily South African sovereign and central bank Rand denominated securities all of which are eligible for South African Reserve Bank (SARB) repo.

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Line	Item	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets			
1	Total HQLA	1 134 339	1 134 339
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	3 809 585	170 566
3	Stable deposits	-	-
4	Less stable deposits	3 809 585	170 566
5	Unsecured wholesale funding, of which:	4 047 241	142 052
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	4 047 241	142 052
7	Non-operational deposits (all counterparties)	-	-
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	1 417 176	145 383
11	Outflows related to derivative exposures and other collateral requirements	4 553	4 553
12	Outflows related to loss of funding on debt products	-	-

Line	Item	Total Unweighted Value	Total Weighted Value
13	Credit and liquidity facilities	1 316 094	44 301
14	Other contractual funding obligations	96 529	96 529
15	Other contingent funding obligations	-	-
16	Total Cash Outflows	9 274 003	458 000
Cash Inflows			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	807 347	493 688
19	Other cash inflows	208 898	4 582
20	Total Cash Inflows	1 016 245	498 270
Total Adjusted Value			
21	Total HQLA		1 134 339
22	Total net cash outflows		114 500
23	Liquidity Coverage Ratio (%)		991%

Annexure A

The following tables and disclosures are not relevant to Albaraka Bank Limited and have been excluded from this Pillar III Disclosure Report.

Code	Description
CMS1	Comparison of modelled and standardised RWA at risk level
CCR7	RWA flow statements of CCR exposures under the Internal Model Method (IMM)
CR8	RWA flow statements of credit risk under IRB
MR2	RWA flow statements of market risk exposures under an IMA